Sabha on 14th March, 1997 and Ist August, 1997 respectively and state:

(a) the status of revival plan of Smith Stanistreet and Pharmaceuticals Limited (SSPL) in view of the directions from BIFR in the review taken in July, 1996;

(b) the non-plan assistance provided for the year 1997-98 and the amount released so far; and

(c) whether production has been adversely affected because of fund constraints; if so, the action taken to sustain the production level in the Unit?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A. K. PATEL): (a) The Original revival plan sanctioned by BIFR on 31.8.1994 failed. The BIFR, in a review meeting taken in July, 1996 directed that the projections for the year 1996-97 to 2003-2004 should be reworked by the Company. The revised projections approved by the Board of Directors of the company were submitted to Industrial Investment Bank of India (Operating Agency) in April, 1997. The report of the Operating Agency was received in August, 1997, and it indicated that SSPL is techno-economically non-vialbe and even after unprecedented levels of sacrifices and concessions, no viable revive prospects would emerge. The Operating Agency has sought the views of the Government whether such unprecedented levels of reliefs/ concessions would be agreeable to the Promoter. The matter is under.

(b) and (c) In the year 1997-98, Non-Plan assistance of Rs. 1.00 crore was provided to SSPL. The Government released Rs. 1.00 crore Non-Plan assistance in the year 1997-98 to SSPL. The production has been adversely affected in comparison to the year 1995-96 and 1996-97 not only because of the Working Capital constraints but for other reasons also i.e. changes in Government policies in respect of Public Sector Undertakings, liberalised imports and low custom duties, highly competitve environment, weak marketing structure, surplus manpower and low productivity etc. However, the Government had during the years 1994-95 to 1997-98 provided a total financial assistance of Rs. 13.23 crores, including Non-Plan assistance of Rs. 10.73 crores as against Rs. 6.94 crores envisaged in the revival package. Within the constraints of budgetary resources, Government has been providing Non-Plan assistance/ support to Smith Stanistreet Pharmaceutical Limited (SSPL).

Snam Progetti Fertilizer Scam

1052. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether Government's attention has been drawn to the news item published on 31st March, 1998 in the "Pioneer" under the caption "Fraud that helped Snam Progetti Fertilizer Scam";

(b) if so, what are the facts in this regard;

(c) whether senior officials of the Ministry had been to Oman during the recent elections to finalise this agreement;

(d) if so, the main reasons and facts behind their visits; and

(e) the up-to-date details of delegations of the Ministry and under whose instructions they have spent huge amount on Oman journey?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A. K. PATEL): (a) and (b) The attention of the Government has been drawn to the article in question regarding the nature and extent of technical support available for evaluation of the bids for the Oman India Fertilizer Project (OIFP). The relevant facts in this regard are given below:

M/S Jacob Engineering Company, USA was retained in January 1995 as the technical consultants to prepare the

Notice Inviting Tender (NIT) for the Engineering, Procurement and Construction (EPC) contract of the OIFP and to evaluate the technical-cum-unpriced commerical bids. Technical-cum-unpriced commercial bids for the EPC contract were recieved in September/October 1995. M/S Jacob Engineering technically qualified all the three bidders in March 1996. The exercise of evaluation of the priced bids, which had been opened in February 1996, was carried out in consulatiton with M/S Lazard Brothers, Financial Adviser to the project, with the technical support of an expert seconded by M/S Jacob Engineering. During the period of the evaluation, the expert continued to be an employee of the M/S Jacob Engineering, to which the payment for his services was made.

(c) and (d) No official of Department of Fertilizers visited Oman during the period intervening between the announcement of the general elections and the constitution of the 12th Lok Sabha.

(e) Since the signing of the Memorandum of Understanding (MOU) for the joint venture project on 30.7.94, the following delegations of the Ministry have visited Oman with the approval of the appropriate authorities:

(i) A delegation led by Minister of State for Chemicals and Fertilizers, which included four senior officials of the Ministry, visited Oman from 4 to 8 January, 1997.

(ii) A delegation led by Minister of Chemicals and Fertilizers, which included four senior offcials of the Ministry, visited Oman from 14 to 18 September 1997.

Besides the above, since the signing of the MOU, officials of the Ministry have, with due authorisation, visited Oman on 17 occasions to participate in various meetings in connection with the project.

Use of DPCO, 1995 and New Drug Policy, 1994 to the Detriment of Consumers

1053. SHRI SANJAY DALMIA:
DR. MOHAN BABU:
DR. D. VENKATESHWAR RAO:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether social legislation like DPCO, 1995 and New Drug Policy, 1994 have been used to resort to company-wise discrimination ignoring the consumer interests;

(b) how is Government tolerating such a situation and why responsibility has not been fixed so far;

(c) how industry can implement prices when bulk drugs have been included or excluded from price control ignoring the criteria approved by Government or twisting the criteria; and

(d) why the report based on which drugs were excluded or included under price control was not made public and by when the same is proposed to be done in the interest of transparency and natural justice?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A. K. PATEL): (a) No, Sir.

(b) Does not arise.

(c) and (d) Drugs mentioned in the First Schedule of Drugs (Price Control) Order, 1995 have been identified for price control by applying the criteria laids down in the "Modifications in Drug Policy, 1986" across the board. It is mandatory for the companies to follow the prices as fixed/revised by the Government from time to time.